



Technical Assistance Report

Project Number: 48011-001
Policy and Advisory Technical Assistance (PATA)
October 2014

People's Republic of China: Implementing Balanced Urban–Rural Regional Development in Xinjiang Uygur Autonomous Region

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 October 2014)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1631
\$1.00	=	CNY6.1295

ABBREVIATIONS

ADB	–	Asian Development Bank
CAREC	–	Central Asia Regional Economic Cooperation
PRC	–	People's Republic of China
TA	–	technical assistance
XUAR	–	Xinjiang Uygur Autonomous Region

NOTE

In this report, "\$" refers to US dollars.

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 48011-001	
Project Name	Implementing Balanced Urban–Rural Regional Development in Xinjiang Uygur Autonomous Region	Department /Division	EARD/EAPF
Country Borrower	China, People's Republic of N/A	Executing Agency	Asian Development Bank
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Economic affairs management		0.30
Industry and trade	Industry and trade sector development		0.10
		Total	0.40
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Public financial governance	No gender elements (NGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Rural	High
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.40	
Sovereign Policy and advisory technical assistance: Technical Assistance Special Fund		0.40	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.40	
9. Effective Development Cooperation			
Use of country procurement systems		Yes	
Use of country public financial management systems		Yes	

I. INTRODUCTION

1. The People's Republic of China (PRC) faces complex development challenges, including significant poverty, rising income inequality, and widening regional disparities. These regional disparities are particularly acute in the country's inland regions. Growth in the west has accelerated but still lags behind the east.¹ In 2012, the east's per capita gross domestic product was 1.8 times that of the west; the average annual income per capita in the east was CNY32,713 for urban households and CNY13,919 for rural households, while in the west it was CNY22,475 for urban households and CNY8,857 for rural households.² About 51% of the PRC's poor people live in the 12 provinces and autonomous regions in the west.³

2. One of the PRC's top priorities is the development of its Xinjiang Uygur Autonomous Region (XUAR), one of the northwest's poorest and most remote regions with a large population of Uygur (46% of the population) and other minority ethnic groups (15%). This technical assistance (TA) addresses inclusive growth, one of three strategic pillars defining the PRC country partnership strategy, 2011–2015.⁴ As part of the inclusive growth strategy, the TA will augment the PRC's twinning initiatives (part of the government's National Strategy for Development of the Western Region), whereby more prosperous provinces and municipalities assist less-developed interior regions. (Guangdong, Shandong, Shanghai, and Shenzhen provide targeted financial contributions to Kashi—the cultural, economic, and administrative center of southern XUAR—and will continue to do so through 2020.)⁵

3. The TA will draw on previous and ongoing ADB knowledge work (e.g., industrial relocation, special economic zones, rural–urban integration, and agricultural logistics and transformation). It will seek to enhance the regional development aspect of the PRC's national and regional Five-Year Plans. It will build on, further develop, and customize the outputs of an ADB-funded Provincial Development Strategy for XUAR,⁶ and aim to augment XUAR's participation in the Central Asia Regional Economic Cooperation (CAREC) program.⁷ The TA will contribute to XUAR's overall development and lasting stability by adopting a more balanced approach that recognizes the benefits that urban and rural economies contribute to one another and identifies development needs specific to rural and urban economies. By augmenting the twinning arrangements, the TA can fortify XUAR's development. By examining XUAR's economic potential regionally, focusing initially on economic services that Kashi provides—or might provide—to neighboring prefectures and CAREC countries, the TA can help craft a development path for the four southern XUAR prefectures (Aksu, Hotan, Kashi, and Kizilsu) to build an inclusive and prosperous society. The TA may also identify possible investment

¹ Eastern 10 provinces (municipalities) include: Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan; and western 12 provinces (autonomous regions and municipalities) include: Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and XUAR. China Statistical Yearbook 2013. <http://www.stats.gov.cn/tjsj/ndsj/2013/indexeh.htm>

² China Statistical Yearbook 2013. <http://www.stats.gov.cn/tjsj/ndsj/2013/indexeh.htm>

³ International Fund for Agricultural Development (IFAD). June 2014. *Investing in rural people in China*. Rome. <http://www.ifad.org/operations/projects/regions/pi/factsheets/cn.pdf>

⁴ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

⁵ Zheng Lu and Xiang Deng. 2011. *China's Western Development Strategy: Policies, Effects and Prospects*. MPRA Paper No. 35201. http://mpa.ub.uni-muenchen.de/35201/1/Chinas_Western_Development_Strategy_Policies_Effects_and_Prospects.pdf.

⁶ ADB. 2005. *Technical Assistance to the People's Republic of China for the Provincial Development Strategy of Selected Provinces in Northwestern Region*. Manila. Part A focused on XUAR. In August 2009, ADB published a consultant report prepared by the China Institute of International Studies.

⁷ ADB. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila. XUAR is central to the refined CAREC Transport and Trade Facilitation Strategy 2020, as it borders Afghanistan, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan and has abundant natural resources.

opportunities for ADB in southern XUAR, where development partner activity has been limited compared with northern XUAR.

4. During the November 2013 country programming mission, the PRC requested that ADB provide TA to complement, enhance, and sustain its development program for southern XUAR. After consideration, ADB elected to include the TA in the country operations business plan, 2014–2016.⁸ A July 2014 TA reconnaissance mission included extensive consultations with XUAR officials in Urumqi and with Kashi prefecture officials, local government representatives, and regional business interests. These consultations included a thorough review of the concept paper and site visits to logistics centers, special economic zones, agricultural processing facilities, tourist attractions under development, a date orchard, and an industrial sheep farm. The mission interviewed Kyrgyz truck drivers to understand the issues they face in crossing borders and consulted a representative of Tajik business interests to learn about his efforts to promote PRC–Tajikistan trade. A wrap-up meeting was held in Kashi with a cross-section of XUAR, Kashi prefecture, and city officials. Following concept paper revision, the government agreed with the TA impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference. The design and monitoring framework is in Appendix 1.⁹

II. ISSUES

5. XUAR faces serious urbanization challenges and has poor economic growth due to its distance from major domestic markets and obstacles impeding access to regional markets in neighboring countries. Water availability is a critical concern for the fragile ecology, which is predominantly desert territory characterized by strong winds, low rainfall, and high evaporation rates. Infrastructure improvement and provision of basic urban services are needed to facilitate environmentally sustainable economic growth, essential for improving urban living conditions. XUAR cities also need to improve the services they provide to the rural economy through better intermediation of trade, access to financial services, and value-added processing of agricultural harvests and locally sourced raw materials.

6. A considerable development gap exists between northern and southern XUAR; roughly 45% of XUAR's population is in the south, but the region creates just 25% of XUAR economic output. Considering Changji, Karamay, and Urumqi as the center, the economic zone north of the Tianshan Mountains features XUAR's greatest economic development, with a higher standard of living and better infrastructure. This may be partly attributed to connectivity issues: Urumqi is situated on a major east–west corridor (CAREC Corridor 1) linking the PRC with Kazakhstan and supporting trade with Europe, and is linked nationally and regionally through frequent commercial flight offerings. Conversely, Kashi, while well situated geographically—as a key origin and destination for trade along CAREC corridors 1, 2, and 5, featuring five border-crossing points with neighboring CAREC countries and India—suffers from constrained connectivity with less well-endowed neighbors (the Kyrgyz Republic, Pakistan, and Tajikistan lack the resource wealth of Kazakhstan). This is true both overland (rail service is reputedly poor and road conditions, terrain, climate, and underdeveloped border-crossing facilities complicate regional trade) and by air (Kashi is connected to other areas almost exclusively via Urumqi). Southern XUAR exhibits a lower level of development, as nationally Aksu, Hotan, Kashi, and Kizilsu prefectures rank as relatively underdeveloped.

⁸ ADB. 2014. *Country Operations Business Plan: People's Republic of China, 2014–2016*. Manila.

⁹ The TA first appeared in the business opportunities section of ADB's website on 28 August 2014.

7. The urbanization level in southern XUAR is also low. The low population density in urban centers may be a result of resource constraints. Water access concerns limit the extent to which the population can increase and industry can develop.¹⁰ Given its paucity of water resources, some observers have expressed concern that overexploitation of water in southern XUAR's oases may precipitate an ecological disaster.

8. Decisions by the Third Plenum of the 18th Party Congress provide a blueprint to deepen a range of comprehensive structural reforms, including integrated development of urban and rural areas and building a new, open economic system.¹¹ This blueprint, by focusing in part on income improvement through specialty production and marketing and on poverty-reducing tourism development, factors PRC's diversity into the design of development initiatives.

9. To the extent possible, the TA will produce a strategy and corresponding implementation action plan for southern XUAR that supports the following:

- (i) Accelerated development of village plans focused on addressing treatment of solid waste and polluted water to improve the village environment.
- (ii) Improved use, management, and maintenance of public facilities: pave village roads, accelerate rural road construction, maintain and manage safety, provide drainage, and improve rural–urban transport services. In places with capacity, introduce an integrated system of resident payment, village collective subsidies, and government financial support to provide management and maintenance fees.
- (iii) Preparation of traditional village protection and development plans; documentation of historical, cultural, and other valuable traditions and rural housing in historical preservation rosters to increase investment and tourism.
- (iv) Modernization of agricultural practices and agro-industrial processing to increase output, value-added production, job creation, and rural income.
- (v) Protection and conservation of the ecosystem that sustains oases and the economic activity they support.
- (vi) Development of a strategy to expand the use of solar, wind, and other renewable energy options and introduce related high technology.
- (vii) Where conditions permit, development of household biogas consumption and more intensive biogas production.
- (viii) Development of an improved rural information network to provide the rural economy with broader access to market information.

10. The TA will also support efforts to identify poor counties and devise plans for village poverty reduction and enterprise development. The TA builds on prior ADB support for the development of urbanization strategies in PRC.¹² It aims to demonstrate that historic preservation and retention of cultural heritage complement economic development.

¹⁰ Wenlong Zuo et al. 2013. An Analysis of the Water Conflicts and Solutions in the Leapfrog Development of Xinjiang, China. *International Journal of Environmental Science and Development*. 4 (2). pp. 202–206. <http://www.ijesd.org/papers/335-M10020.pdf>

¹¹ Decisions by the Central Committee of the Communist Party of China on Some Major Issues Related to Comprehensively Deepening Reform. Adopted at the Third Plenary Session of the 18th Central Committee of the Communist Party of China on 12 November 2013. http://www.china.org.cn/china/third_plenary_session/2014-01/16/content_31212602.htm

¹² ADB. 2012. Technical Assistance to the People's Republic of China for Fiscal Policy for Urbanization, Industrialization, and Agricultural Modernization in Henan. Manila.

ADB. 2013. Strategic Options for Urbanization in the People's Republic of China. Manila.

ADB. 2014. Public-Private Partnerships in Urbanization in the People's Republic of China. Manila.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impact and Outcome

11. The TA impact will be balanced rural–urban economic development in southern XUAR. By 2018, increased rural per capita net income in XUAR (to 90% of the national average as measured against the 2013 baseline of 81%) will substantiate impact. The outcome will be the rural community economic development. By 2016, achievement of this outcome, by comparison with 2013 baseline data and statistics, will be substantiated by (i) acknowledgement and incorporation of policy recommendations proposed by this TA into the PRC and XUAR Five-Year Plans, (ii) upgraded transport and border-crossing infrastructure along CAREC corridors 1, 2, and 5 to support regional cross-border trade flows, (iii) increased cross-border trade volumes to and from Kashi and other parts of CAREC (via Irkeshtam, Kulma, Kunjirap, and Torugart).

B. Methodology and Key Activities

12. The two principal outputs will be (i) a 10-year (2016–2025) strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in XUAR and (ii) stakeholder ownership of the strategy and implementation plan. Output 1 will offer recommendations on policies and guidelines for promoting balanced urbanization and on an institutional framework for implementation. It will be based on a series of subreports that will support stakeholder consultation workshops to be organized under output 2. Output 2 will support the organization and conduct of broad-based consultation and dissemination workshops. These workshops will help build consensus for—and, over time, stakeholder ownership of—the strategy. The inception report will provide a basis for the workshop in Kashi. It will (i) review, revise, and customize subreport 8 of the Provincial Development Strategy (Promoting Xinjiang’s All-round Economic and Social Development through Urbanization Strategy), taking into consideration of specific, special features of southern XUAR (with a focus on Kashi, but covering all four southern prefectures to the extent time and information permit) and (ii) examine how best to proceed with developing Kashi as an economic center to open up XUAR’s economy regionally. The interim report will give substance to the workshop in Urumqi. It will examine the five dimensions of collaborative development, focusing on (i) approaches to building new urbanization in XUAR and (ii) supporting new rural construction in XUAR modeled on best national and international development practice in an ethnically heterogeneous setting, while relying on prudent and transparent financing approaches and recognizing the ecological fragility that may limit achievements. The final report produced under output 1 will serve as the basis for conducting the final workshop in Beijing. As appropriate, and with the consent of PRC authorities, consultant deliverables will be refined and published as knowledge products (e.g., policy-based briefs, written case studies assessing international experience, and knowledge showcases for high-level decision makers).

13. Assumptions include broad stakeholder involvement in the consultation and dissemination process; relevant data and information are readily available; and resulting policy recommendations are practical, implementable, and broadly endorsed. Risks include the possibilities that insufficient sensitivity to cultural heritage and historic preservation, and differences in institutional opinion about reform make it hard to achieve strategic consensus.

C. Cost and Financing

14. The TA is estimated to cost \$450,000, of which \$400,000 will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-other sources). The government will

provide counterpart support in the form of stakeholder consultation workshop venues, transportation for workshop participants, and other in-kind contributions.

D. Implementation Arrangements

15. A total of 8 person-months of international and 29 person-months of national consultant inputs will be required to provide policy and advisory services under the TA. A consulting firm will be recruited to assemble a team of experts as described in the outline terms of reference (Appendix 3) to carry out the proposed studies. The consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The firm will be selected using quality- and cost-based selection procedures (80:20). The proceeds of the TA will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

16. The TA will be implemented over a period of 15 months, from 1 November 2014 to 31 January 2016. The XUAR Finance Bureau will serve as the executing and implementing agency. The XUAR Finance Bureau will ensure that the Office of Policy Research of Party Committee of XUAR and the Government and Party Committee of Kashi Prefecture are engaged in TA implementation and dissemination of its outputs. Together, they will ensure broad stakeholder participation in preparing the development strategy and implementation action plan and in disseminating and discussing TA outputs. The Public Management, Financial Sector, and Regional Cooperation Division of ADB's East Asia Department will administer and supervise implementation of the TA in collaboration with colleagues in the PRC Resident Mission.

17. ADB will maintain regular contact with the beneficiaries and consultants to ensure that work proceeds according to the agreed schedules, and will participate in all three workshops to ensure that stakeholder views and concerns are adequately addressed in consultant deliverables. Three workshops will help in the broad dissemination of TA outputs.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of the People's Republic of China for Implementing Balanced Urban–Rural Regional Development in Xinjiang Uygur Autonomous Region, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Balanced rural–urban economic development in southern XUAR</p>	<p>By 2018: Increased rural per capita net income in XUAR (to 90% of the national average, from 2013 baseline of 81%)</p>	<p>Government publications Statistical yearbooks</p>	<p>Assumption The government develops and implements regionally respectful Five-Year Plans efficiently and effectively.</p> <p>Risk Ineffective cross-agency coordination delays policy changes and institutional reforms.</p>
<p>Outcome Rural community economic development</p>	<p>By 2016 (as compared with 2013 baseline data and statistics):</p> <p>Acknowledgement and incorporation of policy recommendations proposed by this TA into the PRC and XUAR Five-Year Plans</p> <p>Upgraded transport and border-crossing infrastructure along CAREC corridors 1, 2, and 5 to support regional cross-border trade flows</p> <p>Increased cross-border trade volumes to and from Kashi and other parts of CAREC (via Irkeshtam, Kulma, Kunjirap, and Torugart)</p>	<p>Government publications (including China Customs' annual reports)</p> <p>PRC and XUAR Five-Year Plans</p>	<p>Assumption Policy recommendations under this TA are relevant and reviewed objectively by government agencies.</p> <p>Risks Differences of institutional opinion about reform make it hard to achieve consensus. Insufficient resources to support trade facilitation investment program.</p>
<p>Outputs 1. Ten-year (2016–2025) strategy and implementation plan: Realizing balanced urban and rural, and coordinated regional development in XUAR</p>	<p>Strategic policy recommendations provided for pursuing balanced rural–urban development</p> <p>Written case studies assessing international experience prepared for publication as knowledge products</p> <p>XUAR experience in</p>	<p>Periodic TA progress reports by consultants</p> <p>Regular consultations with the executing agency</p> <p>Regular updates from the consultant team</p>	<p>Assumption Policy recommendations are ready for practical implementation.</p> <p>Risk Policy proposals and recommended courses of action are rapidly overtaken by events.</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	CAREC assessed		
2. Stakeholder ownership of the strategy and implementation plan	<p>Workshop conducted in Kashi by 15 April 2015</p> <p>Workshop conducted in Urumqi by 15 August 2015</p> <p>Workshop conducted in Beijing by 15 December 2015</p>	Inception, interim, and final consultant reports	<p>Assumption Representatives of ethnic minority groups are invited and participate actively.</p> <p>Risk Key stakeholders are not invited or choose not to participate.</p>
<p>Activities with Milestones</p> <p>1. Prepare and publish a 10-year (2016–2025) strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in XUAR</p> <p>1.1 Conduct and complete research to (i) review, revise, and customize Subreport 8 (Promoting Xinjiang’s All-round Economic and Social Development through Urbanization Strategy) of the 2005 TA,^a taking into consideration specific, special features of southern XUAR (with a focus on Kashi, but covering all four southern prefectures to the extent time and information permit) and (ii) examine how best to proceed with developing Kashi as an economic center to open up the XUAR economy regionally (4 months following issuance of notice to proceed)</p> <p>1.2 Conduct and complete research on (i) approaches to building new urbanization in XUAR and (ii) supporting new rural construction in XUAR that applies best national and international development practice in an ethnically heterogeneous setting, while relying on prudent and transparent financing approaches and recognizing the ecological fragility which may limit achievements (8 months following issuance of notice to proceed)</p> <p>1.3 Complete and disseminate the final strategy and implementation plan (12 months following issuance of notice to proceed)</p> <p>1.4 Written case studies assessing international experience prepared for publication as knowledge products (12 months following issuance of notice to proceed)</p> <p>2. Organize and conduct stakeholder consultation workshops to foster stakeholder ownership of the strategy and implementation plan</p> <p>2.1 Conduct a well-attended inception (consultation and discussion) workshop in Kashi involving diverse stakeholders from Kashi, Aksu, Hotan, Kizilsu, Urumqi, and Beijing (within 4 months following issuance of notice to proceed)</p> <p>2.2 Conduct a well-attended interim (presentation and discussion of preliminary conclusions) workshop in Urumqi involving diverse stakeholders from Aksu, Beijing, Hotan, Kashi, Kizilsu, and Urumqi (within 8 months following issuance of notice to proceed)</p> <p>2.3 Conduct a well-attended final workshop in Beijing involving diverse stakeholders from Aksu, Beijing, Hotan, Kashi, Kizilsu, and Urumqi (within 12 months following issuance of notice to proceed)</p>			<p>Inputs</p> <p>ADB: \$400,000.</p> <p>Note: The government will provide counterpart support in the form of stakeholder consultation workshop venues, transportation for workshop participants, simultaneous interpretation to support the conduct of stakeholder consultation workshops, and other in-kind contributions.</p>

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, PRC = People’s Republic of China, TA = technical assistance, XUAR = Xinjiang Uygur Autonomous Region.

^a ADB. 2005. *Technical Assistance to the People’s Republic of China for the Provincial Development Strategy of Selected Provinces in Northwestern Region*. Manila.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	160.00
ii. National consultants	116.00
b. International and local travel	30.00
c. Reports and communications	5.00
2. Trainings, seminars, and conferences	60.00
3. Contingencies	29.00
Total	400.00

Note: The technical assistance (TA) is estimated to cost \$450,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of stakeholder consultation workshop venues, transportation for workshop participants, simultaneous interpretation to support the conduct of stakeholder consultation workshops, and other in-kind contributions. The value of government contribution is estimated to account for 11.1% of the total TA cost.

^a Financed by the ADB's Technical Assistance Special Fund (TASF-other sources).

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Consultants will implement and deliver the technical assistance (TA) in three phases. In the first two phases, they will prepare a series of background papers that will serve as bases for stakeholder consultation workshops and inputs to the strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in the People's Republic of China's (PRC) Xinjiang Uygur Autonomous Region (XUAR). In the final phase, they will produce the strategy and implementation plan itself, which will be reviewed at a stakeholder validation workshop.

A. Objective of the Engagement

2. The engagement will produce a 10-year (2016–2025) strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in XUAR. Consultants will examine issues such as balanced rural–urban development, or inclusive development; regional connectivity; public service provision and benefits; job creation from increased industrialization based on locally available raw materials; agricultural modernization; and agribusiness transformation. To avoid duplication, consultants will draw from previous and ongoing Asian Development Bank (ADB) knowledge work (e.g., industrial relocation, special economic zones, rural–urban integration, and agricultural logistics and transformation). By adopting a more balanced development approach that (i) recognizes the benefits that urban and rural economies contribute to one another and (ii) identifies development needs specific to rural and urban economies, the engagement will contribute to XUAR overall development and lasting stability. The engagement may also identify possible investment opportunities for ADB in southern XUAR, where development partner activity has been limited compared with northern XUAR.

B. Approach and Scope of the Services

3. Consultants will be required to utilize appropriate quantitative and qualitative tools and methods to achieve TA goals and objectives. Consultants will be responsible for the following activities:

- (i) Conduct, complete, and submit to ADB and the XUAR Finance Bureau research on (a) a review, revision, and customization of subreport 8 of the XUAR Provincial Development Strategy (Promoting Xinjiang's All-round Economic and Social Development through Urbanization Strategy), taking into consideration specific, special features of southern XUAR (with a focus on Kashi, but covering all four southern prefectures to the extent time and information permit) and (b) how best to proceed with developing Kashi as an economic center to open up the XUAR economy regionally. The results of this first phase will serve as the basis for a stakeholder consultation workshop that consultants will conduct in Kashi.
- (ii) Undertake field missions to XUAR to collect relevant data and information and hold discussions with government officials, community organizers, academics, and other stakeholders.
- (iii) Conduct, complete, and submit to ADB and the XUAR Finance Bureau research on the five dimensions of collaborative development, focusing on (a) approaches to building new urbanization in XUAR (including an assessment of lessons from the urbanization practices implemented by the Xinjiang Production and Construction Corps) and (b) supporting new rural construction in XUAR that applies best national and international development practice in an ethnically

heterogeneous setting, while relying on prudent and transparent financing approaches and recognizing the ecological fragility which limit achievements. The results of this second phase will serve as basis for a stakeholder consultation workshop that consultants will conduct in Urumqi.

- (iv) Complete, submit to ADB and the XUAR Finance Bureau, and disseminate at a stakeholder validation workshop (which the consultants will conduct in Beijing) the final strategy and implementation plan.

C. Reports, Deliverables, and Time Schedule

4. The engagement output will include background reports, stakeholder consultation workshops, and a proposed 10-year (2016–2025) strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in XUAR. The strategy will support the following:

- (i) Accelerated development of village plans focused on addressing treatment of solid waste and polluted water to improve the village environment.
- (ii) Improved use, management, and maintenance of public facilities: pave village streets, accelerate rural road construction, maintain and manage safety, provide drainage, and improve rural–urban transport services. In places with capacity, introduce an integrated system of resident payment, village collective subsidies, and government financial support to provide management and maintenance fees.
- (iii) Preparation of traditional village protection and development plans; documentation of historical, cultural, and other valuable traditions and rural housing in historical preservation rosters to increase investment and tourism.
- (iv) Modernization of agricultural practices and agro-industrial processing to increase output, value-added production, job creation, and rural income.
- (v) Protection and conservation of the ecosystem that sustains oases and the economic activity they support.
- (vi) Development of a strategy to expand the use of solar, wind, and other renewable energy options and introduce related high technology.
- (vii) Where conditions permit, development of household biogas consumption and more intensive biogas production.
- (viii) Increased access to compulsory bilingual education.
- (ix) Development of an improved rural information network to provide the rural economy with broader access to market information.

5. The assignment will be carried out over a period of 12 months according to the following timeframe: 4 months to complete phase 1, 4 months to complete phase 2, and 4 months to complete phase 3.

6. The consultants will submit an interim phase 1 report 4 months into the assignment and an interim phase 2 report 8 months into the assignment. ADB and the XUAR Finance Bureau will evaluate these reports. Revised versions incorporating comments received will be presented at stakeholder consultation workshops and included in the final report. The consultants will present the draft 10-year (2016–2025) strategy and implementation plan on realizing balanced urban and rural, coordinated regional development in XUAR, to ADB and the XUAR Finance Bureau. After incorporating the comments of ADB and the XUAR Finance Bureau, the consultants will present the report to a stakeholder validation seminar. Two hard copies and a soft copy of each deliverable should be submitted to ADB and the XUAR Finance Bureau within the agreed period. The consultants will work with ADB and the XUAR Finance Bureau to identify materials (such as case studies that showcase best national and international development

practice) suitable for broader dissemination as knowledge products and revise the identified materials accordingly. ADB and the XUAR Finance Bureau reserve the right to compel the consultants to revise and improve deliverables until they are satisfied that minimum quality standards are met.

D. Qualifications

7. For this assignment, the consultant firm is expected to mobilize top quality expertise, primarily from permanent staff. As indicated in the letter of invitation, the evaluation of proposals will take into account qualifications of staff assigned to the study, particularly in the positions indicated below. The firm's proposal shall include a detailed description of roles and responsibilities, as well as profiles of all team members. The team shall be able to work in English and Chinese, particularly in meetings involving stakeholders. All consultant deliverables will be submitted in the Chinese and English languages. All consultants shall have earned an advanced university degree, preferably a doctorate, as specified in the position descriptions below, and have demonstrated experience in promoting balanced rural–urban growth in a water-depleted environment, and identifying economic development opportunities presented by exploiting local resources. They will demonstrate at least 10 years of progressively responsible experience in applying the principles of trade-driven economic and social development, preferably in the context of western People's Republic of China (PRC). They will have practical experience in regional integration and economic cooperation, ideally gained through involvement in macroeconomic analysis, transport corridor development, and infrastructure development policies as part of a broader trade expansion agenda. Demonstrated ability in program implementation, research, and teaching, with a record of relevant publications, would be an asset. Fluency in written and spoken English and Chinese is required. Knowledge of the Uygur language is desirable.

8. **International rural–urban and cultural development specialist and team leader** (8 person-months, intermittent). The specialist will have strong expertise and extensive experience in analyzing and designing rural–urban development strategies and implementation action plans in different countries; and in preparing government strategies and plans in countries that have successfully addressed economic issues and policies. Ideally, the specialist will have experience preparing such government strategies and plans in the PRC. The specialist must have strong expertise in economic development, cultural heritage and historic preservation, and associated topics. The specialist will propose collaborative economic development interventions and prepare case studies showcasing best national and international development practice in an ethnically heterogeneous setting. These economic development interventions may include supporting small businesses; rehabilitating physical infrastructure; or providing local communities with much-needed social services such as child care, recreation, and primary education. The interventions must create both incentives and opportunities for mutually beneficial interaction and be sufficiently compelling for farmers, businessmen, and entrepreneurs to forge (commercial) ties. The specialist must have a master's degree or higher qualification in economics, with specialization in anthropology, history, economics, Asian studies, or related fields. The specialist must have at least 15 years of experience in economic growth and economic development with demonstrated expertise in proposing socioeconomic solutions, such as historic preservation measures and other policies that contribute to economic development as evidenced by international publications and affiliation to a prestigious university or research institute. The specialist will provide overall strategic direction for the TA project; lead and guide the work of national consultants to ensure outputs are consistent with project objectives; add international perspectives and experiences; and be responsible for the quality

and punctual delivery of the TA output, including all reports, and for the completion of relevant TA activities under the guidance of the executing agency and the ADB project officer.

9. **National rural–urban development specialist** (8 person-months, intermittent). The national rural–urban development specialist will be an experienced researcher from a reputable university or research institute with at least 10 years of expertise in analyzing rural sector development, urban sector development, and agricultural modernization, including rapid urbanization. The specialist should have experience in preparing government strategies and plans in the PRC. The specialist must have a master’s degree or higher qualification in urban planning, rural and social development, or related fields. The specialist must have strong expertise in rural sector development, urban sector development, agricultural modernization, and associated topics. The specialist will lead the preparation of the assigned tasks under the topic of rural–urban transformation, and be responsible for the quality and timely preparation of the reports under the analytical guidance of the team leader.

10. **National foreign trade and regional economic development specialist** (5 person-months, intermittent). The national foreign trade and regional economic development specialist will be an experienced researcher from a reputable university or research institute with at least 10 years of expertise in analyzing foreign trade patterns and subregional economic cooperation programs, and with demonstrable knowledge of regional economic development and integration prospects from which XUAR and the PRC’s western neighbors can benefit. The specialist should have experience in preparing government strategies and plans in the PRC. The specialist must have a master’s degree or higher qualification in trade economics or related fields. The specialist must have strong expertise in foreign trade policies, trade facilitation (including border management and the application of sanitary and phyto-sanitary measures), special economic zone development, and associated topics such as tourism development. The specialist will lead the preparation of the assigned tasks under the topic of foreign trade and regional economic development, and be responsible for the quality and punctual preparation of the reports under the analytical guidance of the team leader.

11. **National agriculture business development specialist** (8 person-months, intermittent). The national agriculture business development specialist will be an experienced researcher from a reputable university or research institute with at least 10 years of expertise in analyzing agriculture business development and agricultural modernization, including rural–urban economic relations. The specialist should have experience in preparing government strategies and plans in the PRC. The specialist must have a master’s degree or higher qualification in agricultural economics, rural finance, agricultural logistics, or related fields. The specialist must have strong expertise in rural sector development, urban sector development, agricultural modernization, and associated topics. The specialist will lead the preparation of the assigned tasks under the topic of agriculture business development, and be responsible for the quality and punctual preparation of the reports under the analytical guidance of the team leader.

12. **National ecosystem and environmental protection specialist** (8 person-months, intermittent). The national ecosystem and environmental protection specialist will be an experienced researcher from a reputable university or research institute with at least 10 years of expertise in analyzing urbanization and industrialization strategies in an arid climate where scarcity of water resources is a key constraint (e.g., Israel, Uzbekistan, Australia, US). The specialist should have experience in preparing government strategies and plans in the PRC. The specialist must have a master’s degree or higher qualification in environmental economics, water resource management, ecologically sustainable development, or related fields. The specialist must have strong expertise in rural sector development, urban sector development,

agricultural modernization, and associated topics. The specialist will lead the preparation of the assigned tasks under the topic of ecosystem and environmental protection, and be responsible for the quality and punctual preparation of the reports under the analytical guidance of the team leader.